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ADEN PROTECTORATE. 7 Jan.—The Governor, Sir Tom Hickinbotham, announced to a meeting of Arab rulers the proposal to federate their States within the protectorate. He said he hoped there would be two separate federations, one in the western and one in the eastern area, with a High Commissioner at the head. There would be a supreme council on which all the rulers of the States in the federation would sit, and also an executive and a legislative council. The Governor emphasized that detailed proposals would only be submitted to the Secretary of State after close consultation with the rulers. Sultan Ali ben Abdul Karim, of Lahej, spoke in favour of federation but, together with the majority of rulers, laid stress on the need for full examination of the detailed proposals before reaching a final decision.

ARAB LEAGUE. 9 Jan.—The twentieth session of the Arab League Council opened in Cairo.

10 Jan.—Colonel Nasser, Egyptian Vice-Premier, announced Egyptian support for an Iraqi scheme for Arab unity in preparation for an Arab federation.

11 Jan.—The Supreme Defence Council (composed of the League's Foreign and Defence Ministers) approved a plan to supply Jordan with arms for use against 'Israeli aggression'. It also approved a project for a joint defence fund to finance military operations. The Council announced its full support for Egypt in the Anglo-Egyptian dispute, and its disappointment that 'Egypt should remain defied and provoked without limit'.

20 Jan.—It was learned that the Council had decided that the Arab States should strengthen their diplomatic missions in the Asian countries, exchange political missions with them, and develop cultural and economic relations. The same policy had been recommended in regard to the countries of Latin America.

The Council had also recommended the establishment of a fund to assist the peoples of North Africa in their struggle against 'imperialism'.

The Council had decided to send a mission to Yemen to assure the Imam of support from the League in his dispute with Great Britain.

The Council had also approved a new scheme, obviating Israeli co-operation, for the development of the River Jordan as an alternative to the U.S. scheme suggested by Mr Eric Johnston.

ARGENTINA. 12 Jan.—**Great Britain.** Mr Heathcoat Amory, British Minister of State at the Board of Trade, arrived in Buenos Aires for trade talks.

14 Jan.—**Great Britain.** In a speech in Buenos Aires attended by various Argentine Ministers, Mr Heathcoat Amory said that British investors would be interested to know what type of investment would be welcome in Argentina and whether dividends would be allowed to be remitted. Long-term security was most important. Britain recognized that conditions for trade had changed but there were plenty of opportunities for new and different trade. He expressed concern at the lack of imports from the United Kingdom of motor cars, tractors, and tex-

tiles, and hoped U.K. exporters would be given equal treatment with foreign competitors.

Mr Seward, chairman of the British Chamber of Commerce, pointed out the disproportion between the quantity of British goods in the Argentine market and that of Argentine products bought by the United Kingdom. He said it was only just that in return for U.K. purchases of meat and grain Argentina should purchase from the United Kingdom all that was economically possible.

15 Jan.—Mr Heathcoat Amory was received by Gen. Perón.

Mr Heathcoat Amory told the press that the reason for the delay in signing the third and last protocol supplementing the trade and payments agreement of 1949, and covering the first six months of 1954, was that British negotiators were not satisfied that Argentina had fully granted import permits covering non-essential goods for £3 m.

AUSTRALIA. 8 Jan.—Commonwealth Finance Ministers' Conference *q.v.*

11 Jan.—**Wheat Policy.** Mr Menzies, Prime Minister, announced that the Government, far from supporting any restriction of wheat acreage, believed that the prospects justified a return to the acreages which were sown before the war. (In a recent speech Sir John Teasdale, chairman of the Wheat Board, had prophesied a grave situation and had advocated a reduction of sowings.)

14 Jan.—Dispute *re* appointment of Ambassador to Ireland (*see Ireland*).

17 Jan.—Mr Butler, U.K. Chancellor of the Exchequer, promised in a broadcast that Britain would give all she could to further Commonwealth development, but added that the defence effort would limit the amount of men, money, and materials that she could devote to the task.

19 Jan.—**G.A.T.T.** The Minister for Trade announced that Australia would sign the declaration extending the operation of tariff concessions under G.A.T.T. until 30 June 1955. He added that this would not in any way affect the Government's policy of protecting soundly Australian industries. He also explained that Australia had been assured that her system of tariff review, through the Tariff Board, was understood, and the G.A.T.T. countries were prepared to examine sympathetically any exceptional case for the withdrawal of any Australian item under the current tariff schedule.

AUSTRIA. 12 Jan.—**Western Note.** The Governments of France, Britain, and the United States informed the Austrian Government in identical Notes that they would seek to raise the question of an Austrian state treaty at the forthcoming four-Power conference in Berlin and that they would press the view that the Austrian and German problems were 'separate and distinct'.

17 Jan.—**U.S.S.R.** In a Note replying to the Austrian Note of 5 January, the Russian Government blamed the three western Powers for delay in the conclusion of an Austrian treaty, and stated that the Soviet Union would do 'everything in its power to bring about a final settlement of the Austrian question.'

Austria (*continued*)

19 Jan.—Berlin Conference. It was announced that Dr Figl, Foreign Minister, would head the official delegation to the Berlin conference.

BRITISH GUIANA. 12 Jan.—Mrs Jagan, wife of the deposed Premier, stated that the decision of the People's Progressive Party to boycott the commission would hold despite an appeal by the chairman.

13 Jan.—The last four P.P.P. leaders remaining in detention—Sydney King, Ajodha Singh, Martin Carter, and Rory Westmaas—were released.

17 Jan.—Governor's visit to London (*see Great Britain*).

21 Jan.—International Bank report (*see Great Britain*).

BURMA. 8 Jan.—It was reliably reported that the Government was contemplating a trade agreement with Communist China and Russia, and that preliminary talks with Chinese and Russian representatives had begun in the middle of December 1953.

12 Jan.—Anglo-Burmese Oil Agreement. The Government signed an agreement with three British-owned oil companies—the Burmah Oil Company, the Indo-Burma Petroleum Company, and the British-Burma Petroleum Company—for a joint oil undertaking to be called the Burma Oil Company (1954) Ltd. The company's immediate objective was to achieve self-sufficiency in petroleum products for Burma by refining 4,500 barrels a day. Its ultimate aim was to restore Burma's export trade by the refining of 10,000 barrels a day.

CEYLON. 13 Jan.—Prime Minister's visit to Pakistan (*see Pakistan*).

18 Jan.—Indian-Ceylonese agreement *re* Indian immigrants (*see India*).

CHINA. 8 Jan.—Agriculture. The New China News Agency made public a directive of the Communist Party Central Committee on agricultural policy which emphasized the necessity to avoid too precipitate haste in the transition towards Socialism. The goal set for 1957 was 800,000 agricultural co-operatives in which it was estimated that 20 per cent of the peasant households would by then be enrolled. For 1954 the target was to increase the 14,000 existing co-operatives to about 35,000. Further expansion of mutual aid teams was also called for.

9 Jan.—Korea. In a broadcast statement Mr Chou En-Lai, Prime Minister, called for an immediate resumption of preliminary discussions at Panmunjom on the proposed political conference. He also demanded the elimination of 'Syngman Rhee and Chiang Kai-shek agents' in prisoners' camps so that explanations might be continued. He supported the Soviet Government's proposals for a five-power conference on Asian problems.

COMMONWEALTH FINANCE MINISTERS' CONFERENCE.

8 Jan.—The conference opened in Sydney with Mr Menzies, Australian Prime Minister, in the chair.

15 Jan.—A communiqué, issued at the conclusion of the conference, stated that the object of the meeting was to consolidate the economic progress made by the sterling area and the Commonwealth during the past twelve months, to seek means to accelerate that progress, and to ensure that Commonwealth countries made a full contribution to world prosperity. The Ministers again rejected a closed system of discriminatory arrangements and reaffirmed that their objectives were to strengthen the position of each country and of sterling and to establish a wider and freer system of trade and finance in which the convertibility of sterling should play an essential part. At a time when there was 'some uncertainty about the future' the Ministers were resolved to sustain production and trade and the sound development of resources, and they expressed readiness to co-operate with other countries and international institutions to this end. In this connection the United States and Europe had a special part to play, because with the Commonwealth and sterling area they were responsible for three-quarters of world trade. The sound economic policies pursued by the Commonwealth countries, the publicly expressed resolve of the United States Government to keep the economy of the United States strong and growing, the expansion of production in Europe, and the substantial increase in monetary reserves outside the dollar area, provided solid grounds for confidence.

Balance of Payments. In the year ending 30 June 1953, the sterling area had a surplus of over £400 m. compared with a deficit of nearly £1,000 m. in the previous year. There was an increase of about £250 m. in the central reserves of gold and dollars, and these reserves had continued to increase, although rather more slowly, in the second half of 1953, and at the end of the year stood at £900 m. Through the period sterling had gained strength. The conference was resolved that efforts to seek both a dollar surplus and a surplus in other non-sterling currencies must be continued and that, in seeking to expand exports, ingenuity, increased efficiency, and competitive strength would be required. The conference noted with satisfaction the progress made by several countries in relaxing restrictions on imports as their external financial positions improved. It emphasized that more remained to be done to improve internal positions and that to achieve this the policies of the past year would be continued and where necessary adjusted to encourage increased production.

Development. The communiqué emphasized that the need to develop the Commonwealth's resources was urgent and vital. It gave some account of what had already been done and said that in most cases the major limiting factor was still the provision of finance. The Commonwealth Governments would contrive policies designed to secure the highest possible level of internal savings, but most individual countries, and the sterling area as a whole, still needed additional financial resources from outside. The United Kingdom Government would continue its policy of loans and grants for Commonwealth development. These had amounted to £120 m. during 1953 (including grants to colonial territories). It would also make special efforts to develop its

Commonwealth Finance Ministers Conference (*continued*)

own resources, although that involved burdens and risks. Two new channels for U.K. financing of Commonwealth development had been opened up in 1953—the Commonwealth Development Finance Company, to help primarily the financing of development by private enterprise, and loans of sterling through the International Bank for reconstruction and development. It had been decided that Commonwealth Governments might also in future approach the London loan market, after consultation with the U.K. Government, both in relation to particular projects and also for support for general development programmes. In view of the many claims on this market access would have to be limited, and the U.K. Government would need to be assured that any programmes were in conformity with the general policy of concentrating on the improvement of the sterling area's balance of payments, and that the country concerned was making an adequate contribution from its own resources. The timing of borrowing would also need to be carefully regulated.

Freer Trade. The growing confidence in sterling and the increasing strength and flexibility of sterling countries' economies had enabled some progress to be made towards expanding trade and freeing currencies, but decisive action must be related to the fulfilment of the conditions indicated by the Commonwealth Economic Conference of December 1952, viz. '(a) the continuing success of internal policies of sterling Commonwealth countries; (b) the prospect that trading nations will adopt trade policies which are conducive to the expansion of world trade; (c) the availability of adequate financial support through the International Monetary Fund or otherwise.'

United States. The Conference awaited with interest the detailed recommendations on trade and payments which President Eisenhower had promised after the joint commission on the foreign economic policy of the United States had made its report. The Conference believed that the forthcoming declaration would have a profound significance for the free world.

International Organizations. The Conference reaffirmed the Governments' intention to work as far as possible through existing international organizations dealing with trade and finance. It considered that the functions of G.A.T.T. and of the International Monetary Fund would increase in importance when moves towards freer trade and currencies were concerted, and it agreed that there should be prior consultation among Commonwealth countries about the forthcoming review of G.A.T.T.

Preferential Trade. In a statement to the press Mr Menzies said that the reason why the communiqué contained no reference to preferential trade within the Commonwealth was that although the general sense of the Conference was that much might be done to stimulate trade between Commonwealth members, it was not precise enough for formulation because such a method of trade envisaged informal dealings.

Mr Butler, U.K. Chancellor of the Exchequer, agreed with this, and also stated that the more liberal attitude contemplated for the London

money market to requests for loans to the Commonwealth did not augur any rush of money from the United Kingdom and would not mean a return to austerity in the United Kingdom.

DENMARK. 15 Jan.—War Criminals. During a debate in the Folketing during which strong criticism was voiced on behalf of the five democratic parties concerning recent releases of war criminals, the Minister of Justice said that the term of the special appeal board established in 1949 was due to lapse in a few months' time and the Government did not propose to extend it.

Work was stopped for two minutes in ports and in a number of factories as a protest against the releases.

EGYPT. 12 Jan.—Five students were wounded in clashes in Cairo between members of the Muslim Brotherhood Association and members of the Government-sponsored Liberation Rally.

13 Jan.—Muslim Brotherhood. It was announced that wide-scale arrests had been made of members of the extremist Muslim Brotherhood and that the organization's headquarters in Cairo and Alexandria had been cordoned off. Among those arrested were Sheikh Hassan el Hodeiby, the Supreme Guide, and Abdel Hakim Abdin, the Secretary-General. The War Minister announced that Nawab Safawy, a Persian leader of the (Persian) Fadayan Islam was to be deported. He had been one of the speakers during the 'martyr's day' demonstrations on 12 January.

A second outbreak of student demonstrations occurred at Cairo University. A state of emergency was declared for the Cairo police.

Canal Zone. The British Embassy stated that two British soldiers had been missing from the Canal Zone since 11 January.

14 Jan.—Col. Sadat, a member of the Revolutionary Council, announced that the Muslim Brotherhood had been dissolved for plotting with the British.

The number of arrests was stated to total about 450 in all parts of Egypt.

15 Jan.—Muslim Brotherhood. The Council of the Revolution issued a statement in which it alleged that Hassan el-Ashmawy, an active member of the Muslim Brotherhood, had had a long conversation with Mr Creswell, the British Minister, on 10 January and that this talk was in continuation of earlier contacts between leading members of the Brotherhood and Mr Evans, Oriental Counsellor at the British Embassy. In the course of these talks members of the Brotherhood were said to have stipulated that the return of British forces to the Canal Zone should be at the joint request of the British and Egyptian Governments and that the decision whether a danger of war existed should be left to the United Nations. The statement suggested that this was the probable reason why the British in their negotiations with Egypt had insisted on this point which had never been accepted by the Egyptian delegates.

Egypt (*continued*)

The Government's statement alleged further that Hassan el-Hodeiby, the Supreme Guide of the Brotherhood, had ignored Col. Nasser's request to make a statement supporting the revolution and had demanded that the Army should immediately apply Koranic law in Egypt. When that was refused he was said to have demanded that all new legislative measures be submitted for the Brotherhood's approval. This too had been refused. When Gen. Nagib became Prime Minister in September 1952 the Brotherhood was offered three Cabinet seats but when two of its nominees were rejected as unsuitable it had refused to nominate others. After the dissolution of the Wafd and other parties the Brotherhood had offered the Army its support on condition that proposed legislation was submitted to a committee of the Brethren. This was again refused and from then on Hassan el-Hodeiby had been publicly hostile to the regime and his followers had been instructed to disturb meetings held by the Army Command. After describing dissensions within the Brotherhood over its attitude to the regime, the statement alleged that the organization's final act of hostility was to exploit 'martyrs' day' at Cairo and Alexandria Universities on 12 January for its own political purposes, and that in order to do so the Secretary-General had arranged that the assistance of Communist students should be obtained. The statement finally declared that the Brotherhood had directed its activities in a manner harmful to the fatherland and had profaned religion.

A British Embassy spokesman, replying to the allegations in the first paragraph of the statement, said that no meeting had taken place between Mr Cresswell and Hassan el-Ashmawy on 10 January, that Mr Cresswell had never heard of Hassan el-Ashmawy until he read the statement, and he had never met any members of the Brotherhood. In regard to the Oriental Counsellor, he made no secret of having met the Supreme Guide and other Brotherhood members in company with officers of the Council of the Revolution. He had met them when there was no suggestion of disagreement between the Brotherhood and the Government. The question of the availability of the Canal Zone base or of the part the United Nations might play in any decision regarding its reactivation had not been discussed in any conversations he had had with the Supreme Guide or with other members of the Brotherhood.

16 Jan.—Egyptian economic mission to Russia (*see U.S.S.R.*).

18 Jan.—**Muslim Brotherhood.** The Minister of the Interior announced that sixty-two members of the Brotherhood who had been arrested had been released.

Foreign Service. The resignations of twenty-two senior members of the Foreign Service were accepted in connection with a reorganization of the service instituted by the regime.

Rumania. A trade and payments agreement with Rumania was signed in Cairo.

Canal Zone. A British soldier died of wounds received when Egyptians tried to seize an Army lorry on a road south of Port Said.

EUROPEAN COAL AND STEEL COMMUNITY. 10 Jan.—A report issued by the High Authority stated that, since the opening of the common market, deliveries of coal between the countries in the community had increased by 20·4 per cent; iron ore from 959,000 tons per month to nearly 1,100,000 tons; trade in scrap by 56 per cent; while the steel trade had kept level with the 1952 average.

14 Jan.—An extraordinary session of the Common Assembly opened in Strasbourg. M. Monnet, President of the High Authority, reported that the present resources of the Community and the revenue foreseen for the first quarter of 1954 amounted to an equivalent of \$48 m. The High Authority had allotted this sum as follows: (1) \$35 m. to establish a fund with which to guarantee the loans which it would contract; (2) \$7 m. to provide for readjustment; (3) a first instalment of \$1 m. for technical and economic research into production and safety measures. The High Authority's administrative expenses would be limited to the remaining \$5 m.

16 Jan.—The Common Assembly approved unanimously the High Authority's four-year capital investment policy of which the main objectives were stated to be the reduction of retail prices, especially in the steel industry, and the raising of working and living conditions as high as possible. It also aimed at increased coal extraction with a view to achieving in four years a total annual increase of coking coal of 15 m. tons.

FRANCE. 12 Jan.—**President of the Assembly.** M. Le Troquer (Socialist) was elected president of the National Assembly for 1954, on the third ballot, by 300 votes against 251 for M. Pflimlin (M.R.P.). After the first ballot, when M. Pflimlin headed the list of five candidates, the Communists announced that they would transfer their support to M. Le Troquer in order to bar the way to M. Pflimlin, whom they described as a 'ferocious partisan' of E.D.C.

18 Jan.—**Dr Ernst.** A committee of Ministers decided that Dr Robert Ernst, burgomaster of Strasbourg from 1940-44, should be brought to trial as a war criminal. (Dr Ernst was charged after the war with high treason but the case was never tried owing to the decision of the courts that he was a German citizen—he was born in Alsace under German rule and subsequently emigrated to Germany. On 15 January he obtained a court order for his provisional release and was seeking to enter Germany when he was arrested and subsequently charged under the new indictment.)

19 Jan.—M. Coty, President of the Republic, said in a message to both Houses of Parliament that the authority of the Government must be strengthened, for without that 'the State would soon be in danger, and the State, as is too often forgotten, is the Republic and the motherland'.

20 Jan.—**Libya.** The Foreign Office denied reports that Libya had refused to grant military bases to France in the Fezzan. It said France had made no such request.

GERMANY. 7 Jan.—Four-Power Conference. The three western Commandants and Mr Dengin, representative of the Soviet High Commission in Berlin, began discussions concerning the arrangements for the forthcoming Foreign Ministers' conference.

East Germany. The east German Government set up a 'commission for German unity' to prepare a peace treaty and for reunification. Herr Loch, deputy Prime Minister and Finance Minister, was appointed chairman, and Professor Norden, former Press chief of the dissolved Government information office, was appointed secretary and given the rank of a State secretary.

New Ministry. It was announced that Herr Becher, east German poet laureate, had been appointed to head a new Ministry of Culture.

13 Jan.—East Germany. The President of the east German *Volkskammer* sent a letter to the President of the *Bundestag* again proposing that representatives of both east and west Germany should meet before the Berlin conference.

14 Jan.—West Germany. Amendments to the Basic Law. Against the votes of the Opposition the *Bundestag* decided to refer to committee the amendments to the Basic Law required to enable the Federal Republic to raise armed forces. Dr Weber for the Coalition said it had always considered that the Bonn conventions and the E.D.C. treaty fell within the framework of the Basic Law, and the draft Bills constituted no change in the law but merely elucidated and supplemented it. It also seemed appropriate that this classification should have a general application so that the Basic Law should cover general military service. Dr Weber rejected the Opposition's argument that the introduction of the Bill at that time could disrupt or prejudice the impending Foreign Ministers' conference.

16 Jan.—East Germany: Prisoners. The east German news agency announced that the Soviet Government had granted an amnesty to 6,143 Germans sentenced by Soviet military courts after 9 May 1945.

17 Jan.—Four-Power Berlin Conference. A communiqué issued by the four High Commissioners' representatives stated that it had been agreed that during the first and third weeks the conference should meet in the building formerly used by the Allied Control Council, and during the second week in the residence of the Soviet High Commissioner. The place of further meetings would depend on the course of the conference.

GREAT BRITAIN. 8 Jan.—Yemen. The Yemeni Legation issued a statement accusing the British authorities in Aden of moving levies into disputed areas and terrorizing the inhabitants.

Northern Rhodesia. Mr Lyttelton, Colonial Secretary, left for visits to Northern Rhodesia and Nigeria.

Conference of Commonwealth Finance Ministers *q.v.*

12 Jan.—Overseas Trade. Provisional figures issued by the Board of Trade showed that the value of exports for 1953 was the same as for 1952 (£2,582 m.) and that of imports 4 per cent lower (£3,347 m. against £3,479 m.).

Anglo-Burmese Oil Agreement (see Burma).

Spain: Gibraltar. The Spanish Ambassador called on Mr Eden, Foreign Secretary. According to Spanish press reports he asked that the projected visit of H.M. the Queen to Gibraltar on 10 May should be cancelled. (A Foreign Office spokesman said later that there could be no question of the British Government entertaining representations from any foreign Power with regard to visits which Her Majesty would be making to any of her territories.)

14 Jan.—Yugoslavia. The Foreign Office stated that in an exchange of Notes the Yugoslav Government had accepted an offer of £3 m. in British financial aid for agricultural development in the period ending 30 June 1954.

Mr Heathcoat Amory on Anglo-Argentine trade (*see Argentina*).

Purchase of U.S. surplus beef with foreign aid funds (*see United States*).

15 Jan.—Persia. The appointment of Mr R. B. Stevens as H.M. Ambassador to Persia was announced.

17 Jan.—Buraimi Oasis. Saudi Arabian statement (*see Saudi Arabia*).

British Guiana The Governor of British Guiana, Sir Alfred Savage, arrived in London for talks with British Ministers, particularly on economic development.

Mr Butler on Commonwealth development (*see Australia*).

18 Jan.—Co-operation South of the Sahara. An agreement designed to place on a more formal footing the Commission for Technical Co-operation in Africa south of the Sahara was signed in London by Mr Eden, Foreign Minister, and representatives of Belgium, France, Portugal, the Union of South Africa, and the Federation of Rhodesia and Nyasaland.

19 Jan.—Spanish statement re Queen's visit to Gibraltar (*see Spain*).

Gibraltar. Mr Eden stated in a parliamentary written reply that the Government had no intention of agreeing to any change in the status of Gibraltar and did not consider this was a subject for discussion with any Foreign Power.

20 Jan.—New Rifle. The Prime Minister announced in the Commons his decision that the new British rifle should be superseded by the Belgian F.N.30.

Anglo-Dutch Bacon Contract. The Minister of Food announced that an agreement had been concluded with the Netherland Government for a new bacon contract covering the period 1 December 1953 to 29 September 1956.

Korea. Mr Eden said in the House that the Government supported the U.N. view that prisoners in Korea should be released on 23 January.

21 Jan.—British Guiana. A mission of the International Bank for Reconstruction and Development published a report, entitled *The Economic Development of British Guiana*, recommending a five-year development programme for British Guiana. (The John Hopkins Press; distributed in Great Britain by Geoffrey Cumberlege: Oxford University Press, \$6.)

GREECE. 10 Jan.—It was announced that Dmitri Kardassi, alleged chief of the Communist Party underground, had been arrested in Piraeus.

HONG KONG. 14 Jan.—Relaxation of U.S. trade restrictions (*see United States*).

INDIA. 9 Jan.—Mr Mohammed Ali's appeal to Mr Nehru (*see Pakistan*).

10 Jan.—**Air Force.** It was announced that Air Vice-Marshal S. Mukerjee would succeed Air Marshal G. E. Gibbs as Chief of Air Staff and Commander-in-Chief, Indian Air Force, on 1 April. He would be the first Indian to hold these appointments.

11 Jan.—**Korea.** Request for recall of U.N. Assembly (*see United Nations, General Assembly*).

18 Jan.—**Indians in Ceylon.** The Indian and Ceylonese Prime Ministers signed an agreement on the question of Indian immigrants in Ceylon under which the two Governments agreed to suppress illicit immigration between the two countries. It was agreed that, after completion by the Ceylonese Government of a register of all adult residents not already on the electoral register any person whose mother tongue was an Indian language would be presumed to be an illicit immigrant if not on the register, and would be liable to deportation. The Government of Ceylon would proceed with the Immigrants and Emigrants Amendment Bill according to which the onus of proof lay with the accused to show he was not an illicit immigrant; but the Indian High Commissioner would be given an opportunity to satisfy himself that a *prima facie* case existed for prosecution, the final decision resting with the Ceylonese Government. The Ceylonese Government undertook to expedite the registration of citizens under the Indian and Pakistan (Citizenship) Act. Any persons so registered might be placed by the Ceylonese Government on a separate electoral roll, but in certain small constituencies they would be placed on the national register.

INDO-CHINA. 7 Jan.—**Siam.** It was announced that the Siamese Government had officially proposed the formation of a defensive *bloc* by the 'three Buddhist countries' of Siam, Cambodia, and Laos.

8 Jan.—A number of Khmer rebel chieftains made peace with the Cambodian royal Government and in doing so submitted a report in which they stated that the Viet-Minh drive to the Mekong river was directed primarily against Siam rather than Laos. They declared that the Viet-Minh objective was to set up a bridgehead at Thakhek on the Mekong from which to direct and assist an estimated 60,000 sympathizers—stated to be of Viet-Nameese origin—in the Siamese frontier provinces, with a view to effecting a Communist *coup d'état* in Bangkok.

9 Jan.—Violent fighting was reported at Dong Hen, twenty-five miles east of Savannakhet in Laos. A rebel attack was also reported sixty miles to the east at Tchepone.

10 Jan.—Gen. Franchi, French commander in central Laos, claimed that the Viet-Minh offensive on the Mekong river front had been definitely stopped and that in fighting since 7 January the enemy had lost 1,000 men.

12 Jan.—Contact with the Viet-Minh in central Laos was reported to have been lost, the enemy having disappeared into the jungle.

A clash took place between French Union and Viet-Minh forces south of Dien Bien Phu. The Viet-Minh withdrew leaving eleven dead after the intervention of French fighter aircraft. Sixty Viet-Minh were reported killed in minor engagements in the Red river delta area.

Viet-Nam: New Government. Prince Buu Loc announced his Government, which was composed mainly of technicians. In addition to being Premier Prince Buu Loc took over the Ministry of the Interior. The Foreign Minister was Nguyen Quoc Dinh, a law professor. Two new Ministries were created for land reform (under the Minister for Agriculture) and for 'national democratization'.

14 Jan.—Prince Buu Loc explained to the press that the main aim of his Government's land reform proposals would be to increase production and improve the quality of rice by more modern cultivation methods. In regard to democratization, he said the final aim was an elected Parliament to be reached by way of communal and provincial stages. A 'privy council' with a consultative role would be created consisting of representatives of parties and sects.

15 Jan.—It was learnt that the French authorities had broadcast a protest to the Viet-Minh against the political indoctrination of prisoners which they said the Viet-Minh had admitted to. The broadcast also referred to the Viet-Minh refusal to admit an International Red Cross mission to prison camps and said it was essential that some neutral organization should be allowed to visit the camps.

16 Jan.—**Viet-Nam.** Prince Buu Loc declared that the first task of his Government would be to negotiate with France 'for the total independence of Viet-Nam, which ought to possess all the attributes recognized by international law in a modern state'. Viet-Nam, however, would continue to accept French help within the framework of an association based on equality and 'destined to guarantee and not to limit the independence of the two countries'.

France. M. Dejean, French Commissioner-General, recalled that two conceptions of the form and nature of the French Union had been written into the constitution. The first, set forth in the preamble, was essentially 'liberal and egalitarian'; the second, which was in the body of the constitution, contemplated a federal structure with a co-ordinating and directing role for one of the partners. M. Dejean declared that it was now possible to say that in defining her relations with the Associated States France had chosen the first conception.

20 Jan.—French Union forces retook Thakhek, on the Mekong river, without resistance.

Commandos from Saigon twice raided Phan Thiet, ninety miles to the east on the Annamese coast, killing thirty-seven Viet-Minh and capturing five.

INDONESIA. 20 Jan.—Singapore. A joint statement issued after informal trade talks in Jakarta between Singapore and Indonesia, said that the Indonesian Government would be willing, within the scope of existing bilateral agreements, to consider offers of goods from Malaya, provided that price and quality were satisfactory. (Limitations on trade with Malaya had been imposed by the Government in May 1953).

IRAQ. 8 Jan.—Resignations. It was announced that Dr Abdul Rahman al Jalili, Minister of Economics, and Dr Hassan Abdul Rahman, Minister for Social Affairs, had resigned as a protest against the continuance of martial law in the Basra area.

Postponement of royal visit to Pakistan (*see Pakistan*).

IRELAND. 14 Jan.—Australia. The Minister for External Affairs, Mr Aiken, disclosed that the Australian Government had decided not to proceed with the appointment of Mr McGuire as Ambassador to Ireland owing to their unwillingness to accede to the Irish request that he should be accredited to 'The President of Ireland'. The Australian view was that they must preserve the distinction between the Republic of Ireland and Northern Ireland and they wanted to describe their Ambassador as 'Ambassador to the Republic of Ireland'.

ITALY. 12 Jan.—Signor Pella, the outgoing Premier, declined an invitation to form a new Government, and the President thereupon called on Signor Fanfani, outgoing Minister of the Interior and a member of the left wing of the Christian Democrat Party.

18 Jan.—New Government. President Einaudi approved a new Government, headed by Signor Fanfani, which included: *Foreign Affairs*, Signor Piccioni; *Interior*, Signor Andreotti; *Defence*, Signor Taviani; *Justice*, Senator di Pietro; *Budget*, Signor Vanoni; *Treasury*, Senator Gava; *Finance*, Senator Zoli; *Agriculture*, Senator Medici; *Labour*, Signor Gui. With the exception of two Independents, the Government consisted entirely of Christian Democrats.

JAPAN. 9 Jan.—Mr Yoshida, Prime Minister, said Japan would continue to align herself with the free democracies and would gradually rearm within the limits of her economic resources.

10 Jan.—Air Force. The Japanese Air Force was officially reconstituted with six 'wings' each consisting of eighteen light liaison aircraft.

KENYA. 8 Jan.—A British parliamentary delegation arrived in Nairobi.

14 Jan.—Mr Head, the Minister for War, arrived in Kenya.

15 Jan.—'Gen. China'. Security forces captured the notorious Mau-Mau leader known as 'Gen. China'.

Kenyatta Appeal. The Supreme Court rejected the appeals of Jomo Kenyatta and four other Africans against the convictions and sentences imposed at Kapenguria on 8 April 1953. One of the accused succeeded in his appeal and was acquitted.

18 Jan.—Casualty Figures. The official figures for the week ended 16 January showed that seventy-two Mau-Mau terrorists were killed and forty-three captured. Security forces' casualties were five Africans killed and five wounded.

KOREA. 7 Jan.—Peking Radio broadcast the contents of a Note sent to the Neutral Nations Repatriation Commission by the North Korean and Chinese Commands in which they demanded that all disputed prisoners should be kept in Indian custody until a final Korean peace conference had decided their fate.

9 Jan.—Statement by Chou En-Lai (*see China*).

Gen. Taylor, Commander of the 8th Army, announced that plans were complete for the reception of 22,000 prisoners from Indian custody after 22 January and for the shipping of the Chinese prisoners to Formosa.

10 Jan.—Prisoners. At a meeting of the Military Armistice Commission the U.N. representative rejected a Communist demand that prisoners be held for at least thirty days after the start of the political conference.

11 Jan.—The Swedish delegate, Major-General Stanstrom, proposed at a meeting of the Neutral Nations Repatriation Commission that all prisoners should be automatically released on 22 January.

Political Conference. The Communist Command sent a letter to the U.N. Command proposing a resumption of the preliminary negotiations for a Korean peace conference on 13 January.

12 Jan.—Mr K. Young, representative of the U.S. State Department, informed the Communist Command that the U.N. Command had agreed to send a 'liaison secretary' on 14 January to discuss with the Communist committee 'conditions for resuming conversations on the proposed political conference as well as the date for their resumption'.

Prisoners. The Neutral Nations Repatriation Commission rejected by a majority of three (Poland, Czechoslovakia, and India) to two (Switzerland and Sweden) the Swedish delegate's proposal of 11 January.

13 Jan.—Prisoners. The U.N. member of the Military Armistice Commission rejected a Communist plan calling for: (1) a resumption and continuation of explanations to prisoners for the full ninety days specified in the armistice agreement; (2) disposal of prisoners still not repatriated at the end of ninety days to be left in the hands of the political conference for thirty days; (3) the detention of the prisoners by the Indian custodian force during that time.

14 Jan.—Prisoners. Gen. Thimayya, the Indian chairman of the Neutral Commission, informed the U.N. and the North Korean and Chinese Commands that the Indian custodian force intended handing back unrepatriated prisoners to the former detaining sides on 20 January, and he asked that both Commands should be ready to receive them on that date. Gen. Thimayya made it clear that the prisoners would be handed back as prisoners and not as civilians, and he declared that in the view of the Commission no change could be made in the status of

Korea (continued)

prisoners unless the procedures of explanations and a political conference, prescribed in the Commission's terms of reference, had been fully implemented or unless the two Commands had agreed on alternative procedures or courses of action.

Gen. Thimayya's letter stated further that the Neutral Commission had no competence to release prisoners or to decide on their final disposal. The Commission had not been enabled to continue custody after 23 January or to implement further its terms of reference because of lack of agreement between the Commands. It could not agree with the U.N. contention that the armistice agreement ruled out any possible agreement between the two sides for holding prisoners after 22 January, or that there was a definite obligation on the Commission to release prisoners on 23 January.

Political Conference. U.N. and Communist liaison secretaries met to consider the terms on which preliminary negotiations for the political conference might be resumed.

16 Jan.—Prisoners. Gen. Hull, U.N. Commander, in reply to Gen. Thimayya, stated that the U.N. Command would receive the non-repatriated anti-Communist prisoners on 20 January, but could not accept custody in accordance with Gen. Thimayya's terms. He restated the U.N. Command's view that the Neutral Commission had a solemn obligation to release the prisoners to civilian status at one minute past midnight on 23 January.

South Korea. President Syngman Rhee announced that his Government would observe the armistice until 23 April, after which it would take 'independent action' against the Communists if a peace conference had not reached a settlement of the problem.

18 Jan.—Prisoners. Gen. Thimayya stated in a letter to the U.N. Command that the United Nations would be violating the armistice agreement if they released the prisoners as soon as they were handed over to them. He said the two Commands must find a new plan for their disposal or they should be held indefinitely until the political conference had been convened and all prisoners had heard explanations.

Indian letter to President of U.N. Assembly (*see United Nations, Secretariat*).

19 Jan.—Prisoners. The Communist Command replied to Gen. Thimayya's letter of 14 January by demanding the withdrawal of the Neutral Commission's decision to hand back unrepatiated prisoners to the two Commands. It maintained that the prisoners should be detained until every man had received explanations or until one month after the opening of the political conference. It added that the Communist Command was prepared to guarantee the protection of the Indian troops in the demilitarized zone by preventing 'outside interference' and was also prepared to prevent prisoners from escaping while affording logistic support to the Indians.

20 Jan.—Prisoners. The 22,500 anti-Communist prisoners who had refused repatriation were handed over to the U.N. Command which announced that they would be set free at one minute past midnight on

22 January. As the transfer was taking place 104 prisoners asked to be repatriated. Ninety anti-Communist prisoners who had asked to be sent to a neutral country remained in Indian hands.

The Communist Command, which again protested to the Neutral Commission against the handing over of the prisoners, refused to accept the 372 pro-Communist prisoners (one British, 350 South Korean, and twenty-one American) who had refused repatriation.

LIBYA. 20 Jan.—French denial of report of request for bases in Libya (*see France*).

MALAYA. 20 Jan.—Talks on Singapore trade with Indonesia (*see Indonesia*).

MALDIVÉ ISLANDS. 19 Jan.—The Government announced the death of Amir Amin Didi, the deposed first President and Prime Minister of the Republic.

MALTA. 9 Jan.—**New Government.** Dr Borg Olivier (National Party), announced his new Coalition Government in which he assumed besides the premiership the portfolio of Works and Reconstruction. Other appointments included: Dr J. Frendo Azzopardi (N.P.), Finance; Mr J. J. Cole (Malta Workers Party), Emigration and Labour; Dr G. Felice (N.P.), Justice. The new Government contained six N.P. Ministers and two M.W.P., compared with five and three respectively in the previous Government.

NETHERLANDS. 20 Jan.—**E.D.C. Treaty.** The First Chamber approved the Bill for ratification of the European Defence Community treaty by 36 votes to 4.

(The Bill was approved by the Lower House on 23 July 1953, by 75 votes to 11. Objection came only from the Communists.)

Anglo-Dutch bacon contract (*see Great Britain*).

NEW ZEALAND. 12 Jan.—H.M. the Queen opened a special session of Parliament.

NIGERIA. 14 Jan.—The thirteen Cameroonian members boycotted the opening of the first session of the newly-elected eastern House of Assembly.

15 Jan.—The eastern House of Assembly approved by secret ballot the appointment of three Ministers to the central Council of Ministers and eight to the regional Executive Council. The latter included Dr Azikiwe, leader of the National Council for Nigeria and the Cameroons, who was appointed regional Minister of Local Government.

17 Jan.—Mr Lyttelton, Colonial Secretary, arrived in Nigeria.

19 Jan.—**Constitution Conference.** The conference on the Nigerian Constitution (begun in London on 30 July 1953) was resumed in Lagos with Mr Lyttelton presiding.

NORTH ATLANTIC TREATY ORGANIZATION. 7 Jan.—Gen. Gruenther, Supreme Commander, Allied Powers in Europe, declared in a speech to the American Club of Paris that in spite of all the progress made in the past three years the forces of the Atlantic Powers were still not capable of resisting a determined attack by the Soviet Union. The Russian armed forces were the most powerful in the world and their Navy ranked second. The American strategic air forces would, however, in time of war, be able to inflict serious losses on the Soviet war potential, and certain 'new weapons' had increased the allies' defensive capacity. The defensive system of western Europe was inadequate, particularly in the centre. It was essential that a solution to the German problem must be found quickly.

19 Jan.—Training Bases. Supreme H.Q. announced that work had begun on a £60 m. programme to construct specialized training facilities for land and air forces in six European countries.

PAKISTAN. 8 Jan.—Iraq. It was announced that King Faisal of Iraq and the Crown Prince Amir Abdul Illah, who were due to arrive in Pakistan on 17 January, had postponed their visit. No reason was given for the postponement.

9 Jan.—India. Speaking at Dacca, Mr Mohammad Ali, Prime Minister, appealed to Mr Nehru to stop organized agitation against the proposed American military aid to Pakistan. He said that if agitation continued there would be a chain reaction of events which would worsen relations between the two countries.

11 Jan.—Military Aid. Statement by Prime Minister (*see United States*).

12 Jan.—Kashmir. Mr Mohammed Ali, Prime Minister, told the press that Pakistan was ready to accept the Indian proposal that the Kashmir plebiscite administrator should be the representative of a small country, provided India agreed to certain Pakistan proposals regarding other issues, such as the number of armed forces to be maintained in Kashmir. He expressed willingness to meet Mr Nehru at any time but would not discuss American military aid with him.

13 Jan.—Ceylon. Sir John Kotalawala, Prime Minister of Ceylon, arrived in Karachi.

19 Jan.—U.S. Aid. The Government announced the signing of five agreements with the U.S. Foreign Operations Administration for financing development schemes. The sums involved included \$750,000 towards a development plan in the Chittagong area; \$3.5 m. during 1954 towards a fertilizer factory in the Punjab bringing the total U.S. contribution to the project to \$10.5 m.; and provision for \$4 m. worth of chemical fertilizer.

PERSIA. 8 Jan.—The Military Governor announced that persons causing sabotage on the railways involving loss of life would be sentenced to death and others to long prison terms.

13 Jan.—Gen. Garzan, former commander in southern Persia, was appointed Minister of Roads.

15 Jan.—Appointment of British Ambassador (*see Great Britain*).

RHODESIA AND NYASALAND. 9 Jan.—Northern Rhodesia. Mr Lyttelton, Colonial Secretary, arrived in Northern Rhodesia for discussions with former elected members of the Legislature (dissolved pending a general election).

12 Jan.—In a speech in Lusaka Mr Lyttelton spoke of the credit due to Europeans for the rapid progress achieved in Northern Rhodesia since 1939 and said that the willing co-operation and the better education of the African must be secured in order to fit him to take an increasing share in local and central Government. The process of education would take a long time but hopes and a lead must be given to Africans.

13 Jan.—**Northern Rhodesia.** A communiqué issued after the talks with Mr Lyttelton recalled that the composition of the new Legislature of Northern Rhodesia had already been announced in London and a promise given that the franchise would not be changed during the life of the Legislature without the agreement of all the parties. The talks had been exploratory but had served 'a very useful purpose'. The Secretary of State had expressed the hope that in due course the Governor would be able to submit agreed recommendations on constitutional changes.

In a statement to the press Mr Lyttelton emphasized that the question of the franchise and the constitutional field were secondary and that the main problem was to devise a constitutional system which took care of the danger of 'swamping Europeans' and at the same time of the danger of giving the African the impression of 'political arthritis' without hope of, or a path to, greater responsibility.

RUMANIA. 7 Jan.—Archbishop Cisar. According to Bucharest Radio, Mgr Alexander Cisar, Archbishop of Bucharest, died after a 'short but painful' illness. Mgr Cisar was arrested soon after the war.

18 Jan.—A trade and payments agreement with Egypt was signed in Cairo.

SAUDI ARABIA. 17 Jan.—Buraimi Oasis. Shaikh Hafez Wahba, Saudi Arabian Ambassador in London, stated in Cairo that the British and Saudi Arabian Governments had agreed to refer the dispute over the Buraimi Oasis to an international court of three judges to be chosen by mutual agreement by the two Governments. The Ambassador was returning to report to King Saud on relations with Britain and on the general international situation.

SIAM. 7 Jan.—Proposal for defensive alliance with Laos and Cambodia (*see Indo-China*).

SPAIN. 12 Jan.—Spanish representations re Queen's visit to Gibraltar (*see Great Britain*).

19 Jan.—**Gibraltar.** The Foreign Ministry Information Office

Spain (*continued*)

issued a statement saying that during the recent visit paid by the Spanish Ambassador in London to the British Foreign Minister, the Ambassador had spoken of the resentment aroused in Spain by the decision to include Gibraltar among the places included in Queen Elizabeth's tour and had drawn attention to the damage that could be caused to relations between the two countries in view of the fact that a national protest could be counted on with certainty. The Ambassador had also expressed the Spanish Government's view that the fact that British Guiana, Cyprus, and other places had been omitted from the Queen's tour owing to the delicate state of public opinion concerning Britain's presence would justify the abandoning of the proposed visit to Gibraltar. The statement said that it had been agreed not to publish the main theme of the talk but as the British press had broken the silence the Foreign Office felt compelled to make this explanation.

SUDAN. 9 Jan.—First Sudanese Government. Ismail el-Azhair, Prime Minister, announced his Cabinet in which he himself assumed the Ministry of the Interior. Other appointments included: Mirghani Hamza, Education, Agriculture, and Irrigation; Hamad Tewfik, Finance; Ibrahim el-Mufti, Economic Affairs and Trade; Khalafalla Khalid, Defence; Ali Abdel Rahman, Justice. There were three Ministers without portfolio from the southern provinces.

13 Jan.—Egypt. Major Saleh Salem, Egyptian Minister for National Guidance, arrived on a visit to the Sudan accompanied by Major-Gen. Amer, C.-in-C. of the Egyptian Army.

15 Jan.—Police had to use force to disperse a demonstration in Khartoum by Muslim Brotherhood followers against the Egyptian Government's action against the Brotherhood in Egypt (*see Egypt*).

TURKEY. 18 Jan.—Foreign Investment. The Grand National Assembly passed a law regulating the conditions under which foreign capital might be invested in Turkey. It provided that a committee, under the chairmanship of the general manager of the Central Bank, would decide on applications for the investment of foreign capital. Such investment must be subject to the conditions : (1) that it would be useful for economic development; (2) that it would be employed in fields open to Turkish private undertakings; and (3) that it would not entail any monopoly or special concession.

Foreign investors would have the right, in the event of liquidation, to export their profits and capital, and would be permitted to employ foreign specialists who would be able to export sums for the support of their families or their savings.

UGANDA. 20 Jan.—Buganda. On the ground that it might lead to a breach of the peace, Sir Andrew Cohen, the Governor, refused to approve the Lukiko's resolution of 5 January, calling for two days of lamentation for the deposed Kabaka on 8 and 9 February. In view of the Governor's decision, the Katikiro (Chief Minister) ordered that all

Buganda Government offices should open as usual on the days in question and instructed Saza chiefs to explain the Governor's decision to the people.

UNITED NATIONS

International Bank and Monetary Fund

11 Jan.—The Fund announced that at a meeting on 23 December the executive board had decided that the six months' limit, hitherto applied to stand-by arrangements, would no longer be strictly observed but that sympathetic consideration would be given to requests for longer stand-by arrangements in the light of problems facing members.

Secretariat

11 Jan.—**Korea.** The Indian Government asked that the Assembly should be reconvened on 9 February to discuss the Korean question. Mrs Pandit, President of the Assembly, in a note to the Secretary-General, asked for a reply from the member nations by 22 January.

14 Jan.—**Korea.** Mr Vyshinsky, permanent delegate of the U.S.S.R., accepted the proposal of Mrs Pandit for a meeting on 9 February, and also suggested a prior meeting on 22 January.

16 Jan.—**Korea.** Mrs Pandit, President of the Assembly, agreed to extend from 22 January to 29 January the dead-line stipulated for replies to her proposal to reconvene the Assembly on 9 February.

18 Jan.—The Secretary-General circulated to members the text of the Indian Government's request to Mrs Pandit for the recall of the Assembly. It stated that the Neutral Nations Repatriation Commission had been able to implement the repatriation agreement only to a limited extent. Fuller implementation would depend on agreement with the two Commands to extend the periods of explanation and custody and to create alternative procedures regarding the status and disposition of prisoners in view of the fact that the political conference had not been convened. India considered the restoration of unrepatriated prisoners to the former detaining side as the only lawful and peaceful course and had so informed Gen. Thimayya, the chairman of the Commission.

UNITED STATES. 7 Jan.—**State of the Union Message.** In his State of the Union Message to Congress, President Eisenhower expressed determination to maintain the new initiative that had been gained both in foreign and domestic policy. He said this initiative would be used to protect the people's freedom, to maintain a strong growing economy, and in solving the human problems of the individual citizen. The main points of his Message were as follows:

Foreign Policy. The best chance of reducing the Communist threat lay in the unity of the free world, and the United States would therefore continue to advance the cause of freedom on foreign fronts. In the Far East America retained its vital interest in Korea and was prepared to meet any renewal of armed aggression there. U.S. bases in Okinawa would be maintained indefinitely. Congress would be asked to authorize continued aid for the struggle in Indo-China. Military and economic

United States (*continued*)

aid would also be continued to the Nationalist Government of China and support would be given to South Asian nations progressing through democratic methods. In the Middle East the United States would show sympathetic and impartial friendship. In western Europe policy would be based on the North Atlantic Treaty and on support for the organization of a united European community and a European Defence Community. Firm support for the United Nations and co-operation with neighbours in the western hemisphere would be maintained. Military aid and technical assistance must be continued, and economic aid reduced except in Korea and a few other critical places. A healthier and freer system of trade and payments must be created within the free world, and recommendations would be submitted to Congress after receipt of the report of the joint commission on economic foreign policy. The United States would be glad to discuss outstanding issues with the Soviet Union 'whenever there is a reasonable prospect of constructive results'; a truly constructive Soviet reaction to the U.S. atomic energy proposals would 'make possible a new start toward an era of peace'.

Defence. The President would ask Congress to authorize the sharing of certain knowledge of the tactical use of nuclear weapons with allies. Strategic reserves must be centrally placed and readily deployable to ensure maximum mobility. There should be a more generous use of benefits important to service morale, such as housing and medical care for dependants. The United States would at last have an up-to-date mobilization base. Congress should promptly approve U.S. participation in the construction of the St Lawrence seaway. In the next fiscal year nearly \$1,000 m. more than in 1953 would be spent on military and non-military measures for continental defence, of which the U.S. civil defence effort formed an important part.

Domestic Policy. The President said he would recommend legislation to provide that any citizen convicted of conspiring to overthrow the Government by force or violence should forfeit his citizenship. In addition, the Attorney-General would soon be recommending new legal weapons with which to combat subversion and to deal with claimed immunity. The spending level provided in the 1953-4 Budget had been reduced by about \$7,000 m. and a further reduction of more than \$5,000 m. was estimated in the next fiscal year. The President recommended that corporation income taxes and excise taxes on cigarettes, cars, liquor, and other items, due to be cut in April, should remain at existing levels. The Government's agricultural policy would be to permit market prices to have a greater influence on farmers' production planning while continuing Government assistance. Surpluses already existing at the start of the new programme should be devoted to special uses and for an emergency stockpile. The President announced the following proposals: (1) extension of social security and unemployment benefits; (2) changes in the Taft-Hartley labour law; (3) help by the federal Government for families hard hit by rising medical costs; (4) State-sponsored conferences on education to appraise the need for new schools; (5) a new housing programme.

Suffrage. The President recommended a constitutional amendment to give the right to vote at eighteen.

8 Jan.—Defence Strategy. Mr Wilson, Defence Secretary, said that the long-term U.S. aim was to build a strategic reserve at home and strengthen it with troops withdrawn from overseas, but the United States did not contemplate withdrawing troops from Europe in the near future. The new policy would not affect N.A.T.O. planning and the new military programme would be implemented by degrees.

9 Jan.—East-West Trade. Mr Stassen, Director of the Foreign Operations Administration, said that the Government would now support increased east-west trade in non-strategic materials as this would promote democratic ideas behind the Iron Curtain and might improve political relations with the Soviet Union, besides being economically profitable. He emphasized that no change was contemplated in respect of China until a sound peace had been established in Korea and Indo-China.

11 Jan.—U.S.S.R.: Atomic Proposals. Mr Zarubin, Russian Ambassador, began discussions with Mr Dulles, Secretary of State, on arrangements for a possible major Power conference on atomic energy.

Agriculture. In a second message to Congress President Eisenhower proposed reductions in crop acreages totalling 25 m. acres (8 per cent of total productive crop land) and flexible support prices ranging from 75 to 90 per cent for wheat, maize, cotton, and peanuts. He recommended that the rigid 90 per cent price support of tobacco should be continued, and that the mandatory price supports for rice should be allowed to expire. In the case of wool he proposed that domestic wool should be sold on the open market and direct payments made to growers to make up the difference between the price received and 90 per cent of parity. The President asked Congress to write off the capital losses of the Commodity Credit Department as of 30 June 1953 and to increase its borrowing authority from the existing \$6,750 m. to \$8,500 m. He said trade missions would be sent abroad to explore chances of expanding international trade in food.

South Korea. In a message to Congress President Eisenhower requested the ratification of the U.S.-South Korean mutual security pact signed on 1 October 1953.

Taft-Hartley Act. In a further message to Congress President Eisenhower proposed amendments to the Taft-Hartley Act including one to ensure the holding of a secret ballot under Government auspices whenever strike action was under consideration.

Pakistan. In an interview published in *U.S. News and World Reports*, Mr Mohammed Ali, Pakistan Prime Minister, stated that in an emergency there should be nothing to prevent his country from inviting any friendly power, including the United States, to use bases in Pakistan to defend the region. He stated that the object of Mr Nehru's policy was, 'by holding the balance of power, . . . to dominate the two great power blocs'. He did not think that India would join forces with the Communist bloc if Pakistan received military aid from the United States although Mr Nehru might threaten to do so.

United States (continued)

12 Jan.—Defence Strategy. In a speech to the Council of Foreign Relations, Mr Dulles, Secretary of State, said that the traditional policy of meeting aggression by direct and local opposition was so costly that it could not be continued for long without grave economic and social consequences. The National Security Council had therefore taken the basic decision 'to depend primarily upon a great capacity to retaliate, instantly, by means and at places of our choosing'. This permitted of a selection instead of a multiplication of military means and enabled more basic security to be achieved at less cost. In the Far East the fighting in Korea had been stopped because the aggressor was faced with the possibility that the fighting might, to his own peril, soon spread beyond the limit and methods which he had selected. U.S. forces, no longer largely committed to the Asian mainland, could be built into a strategic reserve to improve the defensive position in Asia. This change gave added authority to the U.N. warning that if aggression were renewed in Korea the U.N. response would not necessarily be confined to Korea. Similarly if there were open Chinese aggression in Indo-China there would be 'grave consequences which might not be confined to Indo-China'. The decision to maintain the U.S. position in Okinawa was necessary to ensure adequate fighting power to implement this collective security concept.

Turning to N.A.T.O., Mr Dulles said there was now the new 'long haul' concept which provided for the steady development of defensive strength at a rate which would not exhaust the economic strength of America and her allies. This would be reinforced by the striking power of a strategic air force based on internationally-agreed positions. Mr Dulles once again emphasized the importance which the United States attached to the consummation of the European Defence Community. Referring to the forthcoming Berlin discussions on Germany and Austria, he recalled that the United States and her allies had persisted in seeking the unification of Germany and the liberation of Austria, and he expressed the hope that the Soviet rulers would come with a sincerity 'equal to our own'. He promised that these efforts at negotiation involved 'no plan for a partnership division of world power with those who suppress freedom'.

13 Jan.—Bonneville Contract. Officials of the Ministry of the Interior said that a \$771,346 contract for a transformer for the Bonneville power project in Oregon had been awarded to an American firm although two bids from overseas, (from the Australian firm, American Elin, and the U.K. firm, English Electric Export and Trading Corporation Ltd) were lower. They said that, even after the application of the 25 per cent 'Buy American' differential, American Elin was by far the lowest bidder on a dollar basis, but they added that the specifications required considerable experience in the design, construction, testing, and operation of such transformers.

United Nations. In a speech to the John Hopkins University, Baltimore, Sir Gladwyn Jebb, British permanent delegate to the United Nations, rejected the view that the United Nations might be

better off without the Communist countries and advised a policy of patiently persisting in making it work whatever the difficulties. On the subject of China he said he had little doubt that if it could be shown that Communist China was not preparing further aggressions and was prepared to settle differences peacefully a change of representation would come about. He added that the difficulty of negotiating with a Power outside the United Nations was only too apparent at present.

U.S.-South Korean Treaty. Mr Dulles appeared before the Senate foreign relations committee to urge ratification of the U.S.-South Korean treaty. He described the treaty as 'a clear warning to the Communists that they cannot expect the United States to ignore a renewed aggression against the Republic of Korea'.

Wool. President Eisenhower declared himself against any increase of tariffs on wool.

Navy. The Navy announced that fifty warships would be laid up over the next eighteen months to meet the reduced budget for 1954-5.

14 Jan.—Export Restrictions. The Commerce Department eased restrictions on trade with Hong Kong by adding a large number of items to the list of 'non-strategic' goods not requiring individual export licences. It also lifted the ban on exports to friendly countries of another fifty-six non-strategic items.

Great Britain. The Foreign Operations Administration announced its authorization under the Mutual Security Act of the sale to Britain of surplus beef worth \$17.5 m. The dollars to pay for it were to come out of foreign aid funds and the equivalent in sterling to be spent on British defence.

Social Security. President Eisenhower sent a Message to Congress containing recommendations for increasing benefits under the old age and survivors' insurance system and for extending the system so as to include about another 10 m. people.

15 Jan.—Pilotless Bombers. The Secretary for Air announced that two squadrons of pilotless bombers, capable of carrying atomic bombs, would be sent to Germany during 1954.

Korea. The State Department reaffirmed the view that unrepatriated prisoners in Korea should be freed on 23 January and should then revert to civilian status.

18 Jan.—Korea. Mr Dulles told the Foreign Relations Committee of the Senate that he believed that without the United Nations the United States would have had to have at least two more divisions in Korea plus more economic and financial support.

Health. The President recommended to Congress the establishment of a \$25 m. federal reinsurance programme to aid private and non-profit insurance companies to provide greater health protection. He also recommended the strengthening of research activities by the public health service.

19 Jan.—Surplus Butter. The Department of Commerce announced that it had rejected an American exporter's application for a licence to export surplus Government butter to Russia.

U.S.S.R.: Atomic Talks. Mr Zarubin, the Soviet Ambassador,

informed Mr Dulles that Mr Molotov, Soviet Foreign Minister, had agreed to continue procedural talks in Berlin with Mr Dulles on President Eisenhower's atomic proposals.

U.S.—Pakistan aid agreements (*see Pakistan*).

20 Jan.—St Lawrence Seaway. The Senate approved by 51 votes to 33 a Bill authorizing the United States to join with Canada in building the St Lawrence seaway. (The Bill had still to be considered by the House of Representatives.)

URUGUAY. 12 Jan.—United Kingdom. Mr Heathcoat Amory, British Minister of State at the Board of Trade, left Montevideo after having had trade talks.

U.S.S.R. 14 Jan.—Germany. *Pravda* rejected any idea of German elections under the supervision of foreign neutral observers on the ground that they would not be 'free'.

15 Jan.—Ukraine. *Tass* reported the following changes in the Government of the Ukrainian Republic. Mr Kalchenko had been appointed Chairman of the Council of Ministers in place of Mr D. Korochenko who had been appointed to replace Mr Grechukha as President of the Presidium of the Ukraine Supreme Council. Mr Grechukha had been appointed first deputy chairman of the Council of Ministers.

16 Jan.—Egypt. An Egyptian economic mission arrived in Moscow to discuss trade exchanges.

17 Jan.—Georgia. Tiflis Radio announced that Mr Zodelava, First Deputy Premier of the Georgian Cabinet, had been dismissed and replaced by Mr Kachava.

Note to Austria (*see Austria*).

19 Jan.—Agreement to take part in U.S.—Soviet atomic talks (*see United States*).

YEMEN. 8 Jan.—Yemeni charges against Britain (*see Great Britain*).

20 Jan.—Arab League support for Yemen in dispute with Britain (*see Arab League*).

YUGOSLAVIA. 9 Jan.—Mr Djilas. The executive committee of the Union of Yugoslav Communists issued a statement accusing Mr Milovan Djilas, chairman of the party and a Vice-President of Yugoslavia, of having damaged party interests and advocated changes in party ideology in articles in *Borba* and *Nova Misao*.

14 Jan.—British financial aid (*see Great Britain*).

17 Jan.—Mr Djilas. Mr Djilas was expelled from the Central Committee of the Union of Yugoslav Communists at a special session. The decision excluded him from all functions inside the party.

During the meeting Marshal Tito said the 'withering away' of the Party was bound to be a long process which could not be achieved until Socialist consciousness had gained a hold on the masses. He saw in Mr Djilas's articles questions of 'democracy at any price' and formula-

tions of a revisionist character which met with 'special approval' in certain quarters in the west. This was revisionism of the worst type. Mr Djilas's error had been to preach an 'abstract democracy' which really represented anarchy, whereas for Communists democracy was a means of achieving the true aim of Socialism. It was true that Yugoslavia was drawing closer to western democracy but only in international matters and not on internal questions.

18 Jan.—It was announced that Mr Djilas had offered to resign his post of President of Parliament. It was also announced that Mr Jovanovic, President of the Montenegrin Assembly, had been appointed to replace Mr Djilas on the party executive, and that two other new members of the executive had been appointed—Mr Marinko and Mr Stambolic, President of the Serbian Assembly.

FORTHCOMING EVENTS

- Mar. Rumanian Communist Party Congress.
- „ 10 Polish Communist Party Congress.
- „ 14 U.S.S.R.: Elections for Supreme Soviet.
- „ 30 U.N. Economic and Social Council, 17th session, New York.

INFORMATION DEPARTMENT MEMORANDA

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